

**Conference on Zimbabwe: Macroeconomic
policy, management and performance since
independence: Lessons for the 21 st century
(1998: Harare, Sheraton Hotel)**

VOLUME 3. Paper nos, 27 to 39

PAPER 34

UNIVERSITY OF ZIMBABWE
ECONOMICS DEPARTMENT
LIBRARY

TEL. 303211 EXT. 1430

SESSION 8b

TOURISM: A MEANS TO AN END IN ZIMBABWE'S DEVELOPMENT?

By Liza Niedermeier
Department of Economics
University of South Africa

PAPER PRESENTED AT THE CONFERENCE ON:
"ZIMBABWE: MACROECONOMIC POLICY, MANAGEMENT AND
PERFORMANCE SINCE INDEPENDENCE (1980-1998): LESSONS FOR THE
21ST CENTURY"

HELD AT THE HARARE SHERATON HOTEL

19-21 AUGUST 1998

In addition to being able to reduce the reliance of the rural sector on agriculture, the argument in favour of encouraging the further development of the tourism industry is strong: because of its capacity to form linkages it has the ability to spread development more evenly than many other forms of industry are able to do. Another reason for promoting tourism as an economic development tool is that many of the attractions needed for the industry are located in the rural areas and the diverse backward linkages associated with tourism can extend its benefits beyond the direct providers of goods and services to tourists (Schroenn, 1997).

3. TOURISM IN PERSPECTIVE

In its simplest sense tourism can be defined as any form of travel (including business travel) with the exception of commuting (Gunn, 1988). The most popular definition of tourism is that proposed by the World Tourism Organisation (1994) which states that tourism is :

the set of activities of a person travelling to a place outside his or her usual environment for less than a year and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited.

The growth in the tourist industry has been formidable since the introduction of commercial jet aircraft in the mid-1960s and the growing affluence of people in North America and Western Europe following the second world war. Worldwide, in 1993, 47 per cent of international travellers arrived at their destination by air (WTO, 1995). This trend is promising for Sub-Saharan African tourism because of the long haul nature of holidays to destinations such as Zimbabwe.

World international tourist arrivals have grown at an overall rate of 7,3% per annum since the 1950s from a little more than 25 million in 1950 to approximately 456 million in 1990 (Wanhill, 1990). Over the past 10 years the growth in international tourist

arrivals has slowed down a little: to 5,5 per cent per annum, but international tourism receipts have showed a healthy increase of 12,5% (WTO, 1995).

According to the World Tourism Organisation (WTO, 1994) tourism is the third highest foreign exchange earner in the world after crude petroleum (including petroleum products) and motor vehicles (including parts and accessories). It accounts for more than 6 per cent of the world's GDP and employs more than 130 million people worldwide (Mieczkowski, 1995). The main tourist destinations are, however still the traditional destinations to the Americas and Western Europe as reflected in table 1.

TABLE 1

INTERNATIONAL TOURIST ARRIVALS BY REGION : 1985 AND 1994

Region	Arrivals (1985) (millions)	Arrivals (1994) (millions)
World	327.6	531.9
Africa	9.7	18.3
Americas	66.4	107.8
East Asia/Pacific	30.8	74.6
South Asia	2.5	3.7
Europe	211.8	319.2
Middle East	6.2	8.2

Source: World Tourism Organisation (WTO), 1995:5

In terms of direct and indirect employment, tourism is the largest industry in the world, and could become the largest single sector of world trade by the 21st century (Smith, 1997). By generating more than US\$3,4 trillion in sales, accounting for 10,1 per cent of world GNP and employing more than 204 million people (World Travel and Tourism Council, 1993) the role of the tourism sector in the world economy must not be underestimated.

3.1 Tourism in Zimbabwe

There is no doubt that the potential for the further development of the tourist industry on the African continent, and for Zimbabwe specifically, is good. In 1996 it was estimated that the Zimbabwean tourism industry employed approximately 60 000 people directly, and the tourism sector contributed 4.9 per cent to GDP in 1993 (Kelley, 1996).

The country has all the attributes that international tourists require, namely long sunny days throughout the year, a diversified natural environment and a unique cultural heritage. Zimbabwe's most popular attraction for international tourists - the Victoria Falls, ranks as one of the seven natural wonders of the world. This natural heritage sight has enabled the country to develop a thriving tourism industry. This and its other tourist assets including Lake Kariba, the Hwange National Park, the Zimbabwe and Khami ruins, the Eastern Highlands and the Motopo Hills provide much scope for future development, especially in view of the fact that tourist numbers are increasing steadily.

In 1994, Zimbabwe was the most visited Sub-Saharan country after South Africa with over one million arrivals (WTO, 1995). It is estimated that since 1980 tourist arrivals in Zimbabwe have increased at an average rate of 10 per cent per annum and that receipts have grown by an average of 29 per cent. From the figures it can therefore be projected that Zimbabwe will be receiving 1.5 million visitors by the year 2000 with receipts of around Z\$2.8 billion per annum (Kelley, 1996). Table 2 provides an outline of visitor numbers for the period 1980 - 1996.

TABLE 2
VISITORS FROM ABROAD 1980-1996 (INCLUDING HOLIDAY TRAVEL)

Year	On holiday	Total
1980	227 195	273 371
1985	319826	389 465
1990	527 190	635 792
1991	587 129	696 659
1992	692 466	765 977
1993	732 645	971 539
1994	937 245	1 139 095
1995	1 268 580	1 581 646
1996	1 410 847	1 792 885

Sources: Central Statistics Office (CSO), 1997:6; Zimbabwe, 1990:3,21; Zimbabwe/Rhodesia, 1980:3, 21.

Although this paper will not focus on the role of regional tourism per se, the role of local tourists as a means of promoting Zimbabwe's development efforts should not be underplayed. In 1994 more than 42 per cent of the arrivals came from South Africa and nearly 26 per cent from Zambia (see table 3).

TABLE 3

TOURIST ARRIVALS IN ZIMBABWE BY MAIN MARKETS OF ORIGIN IN 1994

Country of origin	Number of arrivals (000's)	% change 1993-1994
South Africa	455	3.6
Zambia	278	9.4
Mozambique	56	36.6
Canada/USA	20	-9.1
UK/Ireland	41	-18.1
Germany	16	-20.0
Netherlands	7	0.0
Switzerland	5	0.0
East Asia and the Pacific	31	34.8
Others	171	92.1
Total	1080	13.7

Source: World Tourism Organisation (WTO), 1995:45

In proposing policy alternatives at the end of the paper the necessity for regional cooperation will be highlighted although the potential for developing an international tourist base comprising big spenders is strong.

4. TOURISM'S ROLE IN SUSTAINABLE DEVELOPMENT.

Despite the fact that industrialisation as proposed by the classical development thinkers has led to high growth rates in a number of developing countries over the past three or four decades, the levels of malnutrition, unemployment and illiteracy have not decreased significantly (Morawetz, 1977; Singer and Ansari, 1982) and in many instances traditional development tools have only provided short term solutions to developmental problems such as poverty and its associated maladies which ruin lives and undermine development, the environment and political stability.

Proponents of sustainable development emphasise the need to achieve economic growth, but at the same time to ensure that there is a minimum disruption of physical, social and ecological processes. In other words, that the total resource base of an economy is not depleted. Vosti and Reardon (1997) suggest that there are strong links between poverty and environmental degradation when analysing the long run performance of an economy. According to them in the long run, if the natural resource base is degraded and conservation investments are not made, increased poverty is unavoidable. Resources should, however, not only be regarded as being those of the natural environment, but also the heritage of human achievements in the past (Baud-Bovy and Lawson, 1977).

The tourism sector is able to provide a reason for maintaining such resources given the fact that there has been a movement towards adventure, historical and indigenous cultural tourism at an international level. This type of tourism is also referred to as alternative tourism: a form of tourism that is assumed to be consistent with natural, social and community values (Eadington and Smith, 1992). It is probably alternative tourism that would best serve the goals of development in Zimbabwe: a path of development that should be sustainable over the long term. Furthermore, Zimbabwe is not equipped for mass tourism given its lack of beaches and the undoubted threat to the environment that such tourists would cause.

Cronin (1990:13) maintains that there are a list of criteria that must be maintained for tourism to adhere to the principles of sustainable development. These criteria are that development should:

- follow ethical principles that respect the culture and environment of the destination area, the economy and traditional lifestyles, the indigenous behaviour, leadership and political processes;
- allow for local community participation in decision making and ensure that the community approves and has some degree

of control;

- provide for intergenerational equity so that the benefits can be distributed to more than one generation;
- be planned and managed in such a way that the environment is protected for future generations;
- be planned in an integrated manner with other economic sectors; and
- continuously be assessed to evaluate its impacts and to be in a position where action can be taken against any negative consequences of such developments.

The sustainable development paradigm maintains that if an economy consumes natural capital in producing current income, it must find a means of replacing this capital. One way of doing this is by investing in made capital so that the level of consumption can be maintained (Gillis, Perkins, Roemer and Snodgrass, 1996; Bojo, Maler and Unemo, 1992). The other alternative is to invest in industries that can generate an income without unnecessarily depleting the natural resource base of an economy. Tourism is one such industry.

According to Wall (1997) sustainable development advocates holism and an appreciation of the interconnectedness of phenomena. Instead of propagating that humans should control nature and increase consumption, as suggested by traditional development thinking, sustainable development implies that humans and the environment are indivisible. It is in an attempt to merge short term consumption patterns with the long run goals of sustainable development that the role of tourism in the economic development process comes to the fore.

5. SOME ECONOMIC EFFECTS OF TOURISM DEVELOPMENT

Although it is difficult to arrive at conclusive statements about the role of tourism in development because numerous factors are able to influence its ability to achieve the goals of development, tourism can be regarded as the sector which has the

ability to raise per capita incomes, improve the distribution of income and wealth, reduce population pressure and improve the lives of those directly or indirectly employed in the industry. There are however also negative consequences of tourism development that must not be overlooked. The most important economic consequences of tourism development will now be discussed.

5.1 The balance of payments effect

The importance of tourism as a source of foreign currency is probably the one aspect of international tourism that has attracted the most attention from economists concerned with promoting the industry in developing countries. The reason being that many of these countries face numerous economic constraints which hamper economic development and the acquisition of foreign currency through merchandise exports. Many of the resources needed for tourism development are free goods. The tourism product is also a product in which these countries can be said to hold a comparative advantage given the nature of the environment in developing countries where inexpensive alternative holiday experiences can be purchased.

Before blindly accepting that tourism increases foreign exchange earnings it is important to take cognisance of the outflow of capital which results from tourism investments. Besides through spending by local residents abroad, this leakage of foreign exchange is caused by foreign exchange expenditure on imported goods and services as well as money accruing to foreign tour operators, airlines and travel agents who are prepaid in the country of origin.

Studies done in Kenya, which can be regarded as being representative of African tourism, show that as much as between 30 and 50 per cent of the total prices paid for food and accommodation for beach and safari holidays were retained by tour operators to cover their overseas costs and profits (Sinclair,

1991). The development of ecotourism and adventure tourism has however reduced the dependence on imported resources (Niedermeier and Smith, 1995).

5.2 The employment and income effects

Tourism has an impact on employment on three levels:

- direct employment from expenditure on tourism facilities like hotels, shop assistants and other attractions which employ people directly;
- indirect employment in businesses affected by tourism in a secondary way such as local transport, handicrafts and banks;
- investment employment generated through the construction of large infrastructural works such as airports, roads, electricity networks, water and sanitation works (Nobbs, 1981).

The tourism sector is a labour intensive service industry and therefore has an immense employment generating capacity, but the employment effect is also subject to leakages caused by foreign involvement in the tourism industry. Not only due to the foreign ownership of enterprises, but because of the employment of foreigners in key positions.

The employment of locals in semi-skilled and unskilled positions can often be attributed to the fact that local communities are not afforded the opportunities to acquire training which will enable them to compete for managerial positions (Woodcock and France, 1994). The employment of locals at low wage levels has a negative impact on the income multiplier (This multiplier is based on the Keynesian income multiplier and refers to the additional income that is generated in a particular region as a result of tourist expenditure.) The reason being that there is less money available for subsequent expenditure rounds in the local economy.

There are two factors that can positively influence the tourism income multiplier. They are an increase in tourist expenditure and a reduction in foreign exchange leakages (Strydom, 1994). Leakages that would occur primarily as a result of economies being unable to supply goods and services demanded by foreign tourists.

5.3 The linkage effect

The tourism sector exhibits strong backward linkages. Expenditure through tourism is linked to over 70 types of enterprise. These enterprises are in accommodation, food and beverage, entertainment, clothing, drugs and cosmetics, transportation, water, garbage disposal, real estate and miscellaneous manufacturing industries *inter alia* (Müller, 1985).

Initial investment in the tourism industry is largely infrastructural and can be realised in a short space of time providing linkages for the construction sector. In order to fulfil the goals of sustainable development it is, however necessary to apply economic and social overhead capital. Economic investment is necessary to provide the initial impetus for growth and investment in human resources is necessary to sustain growth once it has begun.

Through its linkage effects, tourism leads to local and regional infrastructure development through transportation networks, water supply, sanitation facilities *et cetera*. Numerous studies have shown that the success of the tourism industry in a particular country is directly proportional to the infrastructural services provided (Lickorish, 1968) and to the linkages it develops in the national economy.

5.4 The government revenue effect

Because international tourists come from other countries, their expenditures represent an increased tax base for the host

government. The potential revenues for the government from direct tourist expenditures include hotel and other user or expenditure taxes, customs duties on imported goods connected to tourism, income taxes on tourism enterprises and people working in tourism and property taxes on tourism establishments (Inskeep, 1991).

According to Mathieson and Wall (1982) the major source of tourism generated income for the government is in the form of direct taxation and customs duties. The dual tier pricing system in Zimbabwe allows for increased revenues from overseas visitors and also allows for Zimbabwean tourists who cannot afford international prices to benefit directly from spending by international visitors through tourist developments.

5.5 Negative aspects of tourism developments

5.5.1 Inflation

The injection of tourists' money into the local economy has definite benefits. But cognisance must also be taken of the fact that increased spending in a region can result in inflationary pressure (Ritchie and Goeldner, 1986). Tourists typically spend more than the local population, either because they have higher disposable incomes, or because they have saved for the trip and are inclined to "splurge" while on holiday. This encourages local suppliers to inflate their prices.

Speculative profiteering by estate agencies can also take place around tourism facilities (Chopra, 1991). This leads to inflated prices for properties making them unaffordable to the local people.

5.5.2 Opportunity costs

Opportunity costs occur when one industry is established in favour of another. These costs can have negative consequences for the economy if tourism development results in the loss of valuable agricultural production as employees are attracted to the relatively high paying tourist sector.

The conversion of agricultural or previously unused land into tourist sites may also result in economic distortions on a spatial level if higher cost developments are concentrated in one, or a few, areas of the country and other areas are neglected. Such developments would give rise to dissatisfaction amongst communities and the migration of young people to the tourist areas with its associated social problems such as prostitution.

6. POLICY CONSIDERATIONS

Despite some of the negative aspects of developing the tourism potential of a country, the benefits of developing this industry far outweigh the costs, provided that tourism policy is consistent with the goals of sustainable development.

6.1 Planning

Careful planning can result in the development of a means of production that can benefit the economy of the host country in a sustainable manner. It is therefore important that tourism be integrated into the development plans of an economy to ensure that the negative consequences are minimized and that the positive impacts are taken advantage of.

Tourism planning needs to take place at a number of levels ranging from the national and regional levels to the various local levels. In planning for tourism development a realistic assessment should be made of resources and the consequences of tourism development at both the community and national level. To do this the tourism industry should be identified by the CSO as a sector in its own right since the current supply of information on which the industry can plan for future development is inadequate and out of date (Kelley, 1996).

Tourism should also be viewed as an interrelated system of demand and supply factors. Demand factors include international and

intra-regional tourist markets as well as local tourists. Supply factors include attractions and activities such as the natural heritage and culture of a region and activities related to these attractions, accommodation and supporting services such as tour operators, shopping facilities and access to medical and other facilities and infrastructure.

In Zimbabwe special planning is required to address the infrastructural problems such as the poor calibre and limited number of luxury coaches and 4-wheel drive vehicles; lack of large purpose built convention centres and the potential shortage of hotels and safari lodge accommodation in the main tourist receiving areas.

6.2 Education and training

Closely related to appropriate planning for the tourism industry is the need to develop a qualified labour force that is able to meet the standards of the international market. Areas where there is a shortage of skills (for example chefs, housekeepers and trainers) must be identified and incentives should be given for the advancement of local staff in these areas. The list of courses eligible for Zimdef rebates should be extended to provide an incentive for the upgrading of skills through further education of employees.

Training should, however, not only be provided at the primary or unskilled level, but should enable tourism to provide opportunities for people to be able to establish careers within the industry with the possibility of promotion, or the chance to develop their own businesses in this sector.

6.3 Community participation

For tourism to achieve the goals of sustainable development local participation and approval is necessary. Such participation increases the support for a specific project, especially if the

local community is to benefit from the project directly.

The best way for encouraging community involvement is through the provision of entrepreneurial opportunities and through representative tourism bodies by the product owners and those directly affected by tourism development. The assistance of government, business and financial institutions should, however not be ignored. In so doing the public should be made aware of the benefits of tourism and how to mitigate its negative impacts..

6.4 Cooperation and integration

The bottom line for any sustainable development strategy is that environmental and societal systems cannot exist in a vacuum. There is therefore a need to integrate the tourism sector with other sectors in the economy as well as with the tourism strategies of other countries in the region. A joint effort should be made to promote Southern Africa as a tourism package in an effort to attract travellers from overseas. Regional cooperation with regard to aspects such as training, travel and tourism promotion is essential. Having tourism attractions in an area can be fruitless if those attractions are not known to potential tourists. By promoting tourism for the region as a whole, economies of scale can be realised without putting unnecessary pressure on individual governments' budgets for tourism promotion.

Since regional tourism comprises the bulk of Zimbabwean tourism, visitors from SADC countries should not be unduly penalised in terms of price when visiting Zimbabwe. A possible area of investigation would be to determine the price elasticities of demand for various forms of commercially based accommodation for South Africans and other tourists from within the region who are more likely to stay with family and friends in order to cut costs.

6.5 Sustainable tourism

Tourism development should not occur haphazardly for quick profits, but the long term nature of development should be taken into account. Wahab and Pigram (1997:285) emphasise that "the free play of the market may lead to overreaching capacity limits and hence a lack of sustainability". There is therefore an incentive to encourage quality tourism that will respect the local environment and society. To do this government regulation is necessary. This has to be weighed against the profit motive of business which can be achieved over the short term through the maximisation of tourist numbers through mass tourism. Such a goal may, however, not be complementary to sustainable development.

7. CONCLUSION

There is no doubt that the Zimbabwean tourism industry has come a long way since independence and that the industry has the potential to achieve the goals of development. There is however a need to view tourism developments in a holistic manner and to compare the benefits with the costs. As with any form of industrial strategy a holistic approach which sees the positive as well as the negative impacts of its implementation will provide tourism planners with the tools necessary to formulate an economically sustainable tourism sector.

8. BIBLIOGRAPHY

- Baud-Bovy and Lawson, F. 1977. Tourism and recreation development, London: The Architectural Press.
- Bojo, J, Maler,KG and Unemo, L. 1992. Environment and development:an economic approach. Dordrecht: Kluwer
- Central Statistics Office. 1997. Quartely migration and tourist statistics. Harare:CSO.
- Chopra, S. 1991. Tourism and development in India. New Delhi: Ashish.
- Cronin, L. 1990. "A strategy for tourism and sustainable development". in World leisure and recreation. 32, 3:12-18.
- Eadington, WR and Smith, VL. 1992. Tourism alternatives -

potentials and problems in the development of tourism. USA: International academy for the study of tourism.

Gillis, M, Perkins, DH, Roemer, M and Snodgrass, DR. 1992. *Economics of development*. 4th edition. London: Norton.

Gunn, C. 1988. *Tourism planning*. New york: Taylor and Francis.

Inskeep, E. 1991. *Tourism planning. An integrated and sustainable development approach*. New York: van Nostrand Reinhold.

Kelley, J (ed). 1996. "Revolution as tourism moves into new era". In *Zimbabwe: a field for investment*. Harare: Thomson.

Lickorish, LJ. 1968. "International tourism and government action". In *Journal of world trade law*. March, April.

Mathieson, A and Wall, G. 1982. *Tourism: economic, physical and social impacts*. London: Longman.

Mieczkowski, Z. 1995. *Environmental issues of tourism and recreation*. Lanham: University Press of America.

Morawetz, D. 1974. "Employment implications of industrialisation in developing countries: a survey". In *Economic journal*. 84: 335.

Müller, HJA. 1985. *Tourism and development*. Position paper no. 3. Sandton: Development Bank of Southern Africa.

Niedermeier, L and Smith, J. 1995. "Tourism in Southern Africa: a catalyst for development". In *Indicator South Africa*. vol 12. no 4.

Nobbs, J. 1981. *Social economics*. London: McGraw Hill.

Ritchie, JRB and Goeldner, CR. 1986. *Travel, tourism and hospitality research*. New York: John Wiley and sons.

Schroenn, J. 1997. *Linking tourism and development: the key role of entrepreneurship*. Paper presented at the biennial conference of the Economic Society of South Africa. Potchefstroom.

Sinclair, MT. 1991. "The tourism industry and foreign exchange leakages in a developing country: the distribution of earnings from safari and beach tourism in Kenya". In *The tourism industry: an international analysis*. Sinclair, MT and Stabler, MJ (eds). Melksham: Redwood Press.

Singer, H and Ansari, J. 1982. *Rich and poor countries*. London: Allen and Unwin.

Smith, JD. 1995. *Socio-economic development in Southern Africa: policy implications for recovery and reconstruction*. Pretoria: Africa Institute.

Strydom, AJ. 1994. 'n Onderzoek na die toerismepotensiaal van die Oranje-Vrystaat as strategiese faktor in ekonomiese groei en ontwikkeling. PhD thesis. University of the Orange Free State.

Vosti, SA and Reardon, T. 1997. Sustainability, growth and poverty alleviation: a policy and agroecological perspective. Baltimore: John Hopkins University Press.

Wahab, S and Pigram, JJ. 1997. "Tourism and sustainability: policy considerations". In S Wahab and JJ Pigram. Tourism, development and growth. London: Routledge.

Wall, G, 1997. "Sustainable tourism - unsustainable development. In S Wahab and JJ Pigram (eds). Tourism, development and growth. New York: Routledge.

Wanhill, S. 1990. "Tourism statistics". In R Teare, L Moutinho and N Morgan (eds). Managing marketing services in the 1990s. London: Cassell educational.

World Tourism Organisation (WTO). 1994. Tourism market trends. Africa 1985-1994. World Tourism Organisation.

WTO. 1995. Yearbook of tourism statistics. vol 1 47 edition. Madrid: WTO.

World Travel and Tourism Council, 1993. A new economic perspective. Research edition. Brussels.

Zimbabwe, 1990. Monthly migration and tourist statistics 1989-1990. Harare: Government printer.

Zimbabwe/Rhodesia. 1980. Monthly migration and tourist statistics 1980. Harare: Government printer.



This work is licensed under a
Creative Commons
Attribution – NonCommercial - NoDerivs 3.0 License.

To view a copy of the license please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>

This is a download from the BLDS Digital Library on OpenDocs
<http://opendocs.ids.ac.uk/opendocs/>